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## Business Is Marketing Data Once Sold by Private Eye

THE COLLECTION of data for statistical purposes is a threat to individual privacy which has figured in many recent books and articles. It is mostly a hypothetical threat, supported by few if any examples of real abuse. However, there is some foundation for the concern that malicious people will exploit the convenience and low cost of sieving large amounts of data with a computer, and we should be thinking about the kind of laws we need to prevent such abuse.

Meanwhile, two kinds of organizations make a business of analyzing personal information. In the public domain, we have the law enforcement agencies, investigative committees of Congress and welfare administrations. Here we must balance community versus individual values: for example, how far should we delve into citizens' private affairs to be sure that no one cheats on welfare payments, or to discover whether someone might be a security risk because someone else might blackmail him?

IT IS EASY for the privileged to set up very strict rules—for the others. I must appeal to those who are crying the loudest alarms about the violation of privacy "by computers" to be equally concerned about wiretapping, preventive detention, indictment by publicity and humiliating "need tests" for public benefits. In this sphere, computers are merely the instruments of policy that is, for the most part, set by affirmative law.

In our relationship with the government, we can secure any degree of privacy to the extent that we value this over the seeming efficiency of government. Law enforcement could become the overriding goal to the exclusion of other values. We then pay for it by many

intrusions on and occasional injustices to the innocent. This, after all, is what we mean by the "police state."

Private business is also deeply involved in marketing personal information on a large scale, a trade that used to be the province of the private detective. Credit bureaus maintain files on over 100 million citizens and, with a few commendable exceptions, are quite lax about the quality of their data or the purposes to which their customers put it.

This comment is not to depreciate the ethical motivation of the credit bureaucrat. It is just an economic fact that reliable data would be expensive to maintain, as would be any effective surveillance of their end uses. Merchants are also pressed to accept cheap evaluations of credit risks, which must be biased to blackball every deadbeat, even if many conscientious, bill-paying consumers are also hurt by human or mechanical errors.

SUCH AN industry has to be regulated or it will be dominated by its most irresponsible and insensitive members. Computer technology aggravates the situation by making it inexpensive to keep and transfer large files of wooden data. If humanly oriented standards are established, the same technology can help assure that spurious or unfair records kept by different organizations are all correctly updated without requiring an

impossible effort by the consumer.

The Fair Credit Reporting Act, being pushed in the House by Rep. C. E. Gallagher (D-N.J.) and in the Senate by Sen. William Proxmire (D-Wis.) is an important, but limited, step towards effective regulation. It has also been endorsed by Virginia Knauer, the President's adviser on consumer affairs.

Its most important provision would give the Federal Reserve Board some general regulatory authority over the bureaus to ensure the accuracy and confidentiality of their files. Individual customers would have to be notified of certain adverse reports and would have the right to submit corrections.

AS MRS. KNAUER pointed out, the bill as written would not require notification except for "matter of public record" and would allow secret slanders to smolder in the files. The bill is nevertheless an important first step. It should be enacted as a foundation for extending its principles, for example, as Rep. Edward Koch (D-N.Y.) has attempted in his Federal Privacy Act for data held by government agencies.

We should also think about requiring the bonding of key employees in the bureaus and promulgating a general ethical code for data-handling personnel who are entrusted with the dignity and reputation of so many citizens.

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